

IN RE: Application of Sage Telecom)
Communications, LLC for Designation as an) **STIPULATION**
Eligible Telecommunications Carrier in the)
State of South Carolina)

WHEREAS, as a result of its investigation, ORS has determined that subject to the provisions set forth below, Sage Telecom request for designation as an ETC should be approved;

WHEREAS, Sage Telecom filed a compliance plan with the Federal Communications Commission ("FCC"), and agrees to comply with the requirements and conditions set out in the approved FCC compliance plan ("Compliance Plan"); and

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1. Sage Telecom is a commercial mobile radio service ("CMRS") provider, proposing to offer prepaid wireless Lifeline service as an ETC and other prepaid wireless voice and data services in South Carolina.

2. Sage Telecom has requested wireless, Lifeline-only ETC designation in South Carolina.

3. Sage Telecom provides its prepaid wireless Lifeline and non-Lifeline services by reselling the wireless services of Sprint and Verizon, which provides wholesale capacity to many wireless resellers. Sprint and Verizon will provide Sage Telecom with the wireless infrastructure and wireless transmission facilities needed for Sage Telecom to offer services as a Mobile Virtual Network Operator ("MVNO"). Sage will rely on Sprint Spectrum, L.P. and Verizon Wireless to provide wireless services to both its Lifeline and non-Lifeline wireless services. Sage Telecom will offer its Lifeline Wireless Service under the brand names "Sage Wireless" and "SureLink Mobile".

4. Sage Telecom has limited its requested Universal Service Fund ("USF") support to the Federal USF low income support program. Sage Telecom certifies that all low income USF funding it receives will be used to provide a credit to its Lifeline eligible customers, consistent with 47 C.F.R. 54.403.

5. The Company's Compliance Plan, as approved by the FCC, is attached to and incorporated in this Stipulation. Sage Telecom agrees to comply with all terms and conditions of the attached FCC approved Compliance Plan. Any changes or modifications to the Company's FCC approved Compliance Plan must be filed with the Public Service Commission of South Carolina ("Commission"), with a copy to ORS, within five (5) days of filing at the FCC.

6. Sage Telecom agrees to advertise the availability of Lifeline using media of general distribution.

7. Sage Telecom is to offer Lifeline credits consistent with the rates, terms, and conditions contained in its rate schedules and website and will publish the availability and the pricing of these same offerings on its website or public forum accessible by Lifeline eligible low income consumers.

8. Until modified by the Commission, Sage Telecom agrees to utilize the means test established by the FCC and set forth in 47 C.F.R. 54.409.

9. Sage Telecom agrees to notify the Commission and the Office of Regulatory Staff ten (10) days in advance of any changes to its Lifeline rates in South Carolina, or changes in pricing of any additional minute plans offered to South Carolina Lifeline customers.

10. Sage Telecom agrees to advertise its rate plans on its website and the price for additional minutes of use consistent with Exhibit 2 of Sage Telecom's Application.

11. Sage Telecom agrees to provide Lifeline customers the federal lifeline credit of \$9.25 per month, consistent with 47 C.F.R. 54.403. In addition, Sage Telecom agrees to provide all South Carolina Lifeline customers with a company funded \$3.50 credit. The Company may fulfill this commitment by offering a South Carolina Lifeline plan that provides 300 minutes of voice only service without rollover and 200 text at a monthly cost of \$0.00 in addition to Lifeline

optional plans outlined in Exhibit 2 of the Application. Sage Telecom will also offer plans that provides Talk/Text/Data for which Lifeline eligible consumers may subscribe and receive a \$12.75 lifeline credit. In the event the Commission, the FCC, or a court of competent jurisdiction issues a decision that a credit of \$3.50 is not required to be provided by ETCs to South Carolina Lifeline customers, the Parties agree that this Agreement will be modified to reflect that ruling.

12. Sage Telecom agrees to allow qualifying low-income consumers to apply all applicable Lifeline discounts to any residential service plan that includes voice telephony service, including bundled packages of voice and data services; and plans that include optional calling features such as, but not limited to, caller identification, call waiting, voicemail, and three-way calling. ETCs may also permit qualifying low-income consumers to apply their Lifeline discount to family shared calling plans.

13. Sage Telecom agrees that it will abide by all advertising, reporting and verification requirements established by the FCC and the Commission.

14. Sage Telecom agrees to provide ORS any FCC Citations issued against the Company's Lifeline South Carolina customers, within five (5) days of notice to the Company by the FCC of the customer citation.

15. Sage Telecom agrees that it will not seek reimbursement from the Federal USF for resold services where the Company receives the Lifeline credits through an underlying carrier.

16. Sage Telecom agrees to file all reports requested by ORS or the Commission, including but not limited to: the "Telecommunications Company Annual Report," the "Authorized Utility Representative Form," the "Gross Receipts Form," and the "USF

Worksheet.” All of which may be found on the ORS website at www.regulatorystaff.sc.gov in the telecommunications forms and resources section.

17. Sage Telecom agrees to file with the ORS a certified true copy of its Form 481, Form 497, and Form 555 filed with the Universal Service Administrative Company (“USAC”), including revisions thereto, no later than five (5) calendar days after the Form or revision is filed with USAC.

18. If the designations sought herein are granted, Sage Telecom agrees to pay the annual gross receipts assessment in accordance with S.C. Code § 58-3-100 and S.C. Code § 58-4-60.

19. Sage Telecom does not distinguish in the pricing of toll and non-toll calls. Should Sage Telecom change its business model to include toll services, Sage Telecom agrees to offer a toll blocking and/or limitation option for Sage Telecom Lifeline service at that time.

20. Sage Telecom agrees to waive any and all activation fees for Lifeline customers.

21. Sage Telecom agrees to implement or to participate in a program for initial certification and annual verification that insures that an eligible Lifeline customer only receives one Lifeline credit per residential address and must conform with its Compliance Plan on file with the FCC and 47 C.F.R. 54-410.

22. Sage Telecom agrees to provide E911 compliant handsets to new Lifeline customers and replace any non-compliant handsets for its existing customers who are approved as Lifeline customers as part of its Basic Lifeline Service Plans at no charge.

23. If the designations sought herein are granted, Sage Telecom will be supporting Universal Service in South Carolina based on its total South Carolina retail end user revenues, and must submit all documentation and Universal Service fees required by South Carolina.

24. Sage Telecom agrees to submit a quarterly report to ORS demonstrating the number of Lifeline customers who have been deactivated by Sage Telecom during the quarter due to: (1) non-payment on their customer account during two consecutive 30-day periods; (2) customer failure to comply with or pass the annual verification requirement; or (3) voluntary customer-requested deactivation. In addition, consistent with the annual reporting commitments contained in its approved Compliance Plan, Sage Telecom agrees to file state specific reports with ORS.

25. Sage Telecom agrees that ORS may examine the Company's records and documentation to ensure that the universal service support the Company receives is being used for the purpose for which it was intended. Sage Telecom is required to provide such records and documentation to ORS upon request. Sage Telecom agrees that if it fails to fulfill the requirements of the Act, the Commission's rules, or the terms of this agreement after it begins receiving universal service support, the Commission or ORS may exercise its authority to revoke such petitioner's ETC designation.

26. Sage Telecom shall comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements. More specifically, Sage Telecom agrees to abide by the Commission regulations regarding designation of an ETC found in 10 S.C. Code Ann. Regs. 103-690 (2013) as well as requirements set out by the FCC for ETC designation and for participation in the Lifeline program (e.g. FCC Regulation Subpart E – Universal Service Support for Low-Income Consumers).

27. Subject to the provisions set forth herein, ORS does not oppose the Application of Sage Telecom for designation as an eligible telecommunications carrier.

28. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (Supp. 2012). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

...‘public interest’ means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached among the Parties serves the public interest as defined above.

29. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

30. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts with, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.

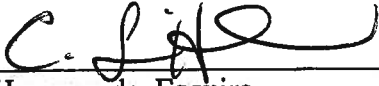
31. The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation.

32. This Stipulation shall be interpreted according to South Carolina law.

33. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

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